

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

SUPERIOR COURT
DEPARTMENT OF
THE TRIAL COURT

GARY A. PAPPAS,

Plaintiff

v.

WAYNE B. HOLLINGSWORTH,

Defendant

CIVIL ACTION
NO.

SUFFOLK SUPERIOR
CIVIL COURT
FILED

JUL 6 1983

MICHAEL JOSEPH
CLERK

AFFIDAVIT OF GARY A. PAPPAS

I, Gary A. Pappas, on oath do depose and say:

1. I am a member of the Massachusetts bar and an attorney engaged in private practice in Boston, Massachusetts.
2. In February, 1981 Wayne B. Hollingsworth and I made an oral agreement to enter into a partnership for the practice of law. We agreed to share equally in both the profits and losses of the business and to have an equal voice in the management of the business.
3. We practiced together under the firm name of "Hollingsworth & Pappas" from April 1, 1981 through March 17, 1983, at which time Wayne B. Hollingsworth gave me notice of his desire to terminate the partnership.
4. Since March 17, 1983, I have requested an accounting for and payment of my share of the partnership property.

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Mr. Hollingsworth has refused, and has denied me access to partnership records and use and possession of most of the partnership property.

5. The following is a partial list of partnership property as of March 17, 1983, as to which I am entitled to a 50% share, after payment of liabilities and partnership contributions and subject to accounting for previous partnership draws. This list is based on my memory and information and belief, prepared without reference to the original books and records of the partnership, and may not be complete.

Equity in real estate, #10 Union Wharf	\$ 75,000
Equity in Wang Computer Word Processing System	20,000
3 copying machines	10,000
7 typewriters	10,000
Office furniture and fixtures	105,000
Office equipment in Hollingsworth's home	10,000
Estimated collections and accounts receivable:	
Commercial Union	500,000
Other clients	<u>250,000</u>
	\$980,000

6. Since the dissolution of the partnership on March 17, 1983, the partnership bank account has been closed and Mr. Hollingsworth has opened a bank account of his own. Since the dissolution of the partnership, Mr. Hollingsworth has received substantial fees for legal work performed during the course of the partnership, which fees

he has deposited into his new account. On information and belief, since February of 1983 Mr. Hollingsworth has received and deposited in the bank approximately \$500,000 on account of legal services performed during the course of the partnership. Despite a demand by me, I have not received any part of these fees received from Mr. Hollingsworth.

7. During the course of the partnership, Wayne B. Hollingsworth engaged, in repeated transactions diverting partnership funds for his personal use without my prior knowledge. Some examples are:

a. In June, 1982, Wayne B. Hollingsworth purchased a new Mercedes automobile for approximately \$32,000. In October, 1982, I discovered that the monthly payments of about \$850 were being charged to the firm.

b. In the fall of 1981, Wayne B. Hollingsworth purchased a Grumman Tiger aircraft for approximately \$28,000, and in the summer of 1982 he bought a Lake Sea Plane for approximately \$50,000. In April, 1983, I discovered that payments for these planes were made out of firm funds beginning in about November or December of 1982.

c. In January or February, 1983, I learned that Wayne B. Hollingsworth had taken \$15,000 from the firm as a "loan" in August or September of 1982.

d. In April, 1983, I learned that Wayne B. Hollingsworth had taken out a \$25,000 personal loan in September, 1982, which was repaid with firm funds.

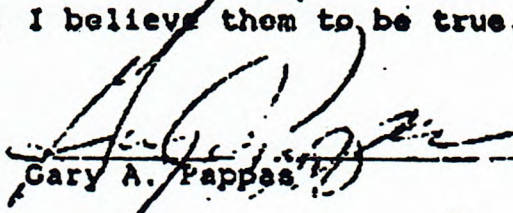
8. Although Wayne B. Hollingsworth is the beneficial owner of the Mercedes and two airplanes described above, title to them is held by LexAir Ltd., a New Hampshire corporation which was set up by Mr. Hollingsworth.

9. Mr. Hollingsworth and his wife, June, are the beneficial owners of two pieces of realty (one in Belmont, Massachusetts and one in Mount Vernon, Maine), but title to the properties is held in the name of two real estate trusts formed by Mr. Hollingsworth.

10. Mr. Hollingsworth has flown to the Grand Cayman Islands a number of times in recent years. In reviewing partnership check records following dissolution of the partnership, I became aware of check No. 756, dated May 13, 1982, payable to the "Guinness Mahon Cayman Trust Ltd.," drawn by Mr. Hollingsworth's wife who was serving as bookkeeper for the firm. The check was charged as a loan repayment, and I have never received an adequate explanation for the check. I have also been told that Mr. Hollingsworth has "borrowed" over \$100,000 from some source in the Cayman Islands and that he has a bank account there.

11. Because of Mr. Hollingsworth's pattern of diversion of partnership funds for his own use, his repeated use of trusts to hold property, and the information relating to his Cayman Island contacts, as set forth in Paragraphs 7 through 10 above, I believe that there is a clear danger that, if Mr. Hollingsworth is notified in advance of an attachment or trustee process against liquid assets such as bank accounts, deposits and credits, he will withdraw such assets and remove them from the state or conceal them.

13. Insofar as the matters stated above are stated on information and belief, I believe them to be true.



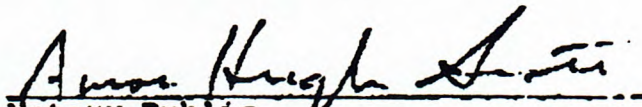
Gary A. Pappas

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

July 6, 1983

Then personally appeared before me the above-named Gary A. Pappas and acknowledged the foregoing facts to be true.



Notary Public

My commission expires: 1/19/90

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

SUPERIOR COURT
DEPARTMENT OF
THE TRIAL COURT

GARY A. PAPPAS,

Plaintiff

v.

WAYNE B. HOLLINGSWORTH,

Defendant

CIVIL ACTION

SUFFOLK NO. 6265 SUPERIOR COURT
DEPARTMENT

FILED BY LEAVE OF COURT

ATTEST:

SUPPLEMENTAL AFFIDAVIT OF GARY A. PAPPAS
ASSISTANT CLERK

I, Gary A. Pappas, on oath do depose and say:

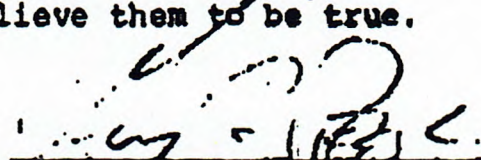
1. In approximately December of 1981, Commercial Union Insurance Company became a client of the firm of "Hollingsworth & Pappas." The firm assumed the defense of approximately 2,000 asbestos cases for Commercial Union.
2. From May, 1982 through the dissolution of "Hollingsworth & Pappas" on March 17, 1983, work for Commercial Union generated substantial revenues and receipts for the firm.
3. Attached hereto is a copy of the firm's bill to Commercial Union in the amount of \$92,119.43 for the months of April and May, 1982.
4. A present employee of Wayne B. Hollingsworth told me within the last ten days that payments in excess of \$500,000 had been received from Commercial Union during the period February, 1983 through June, 1983.

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5. "Hollingsworth & Pappas" operated as a bona fide partnership during the period April 1, 1981 through March 17, 1983 and filed partnership federal and state income tax returns for 1981. Similar partnership tax returns have been prepared but not yet filed for 1982.

6. Insofar as the matters stated above are stated on information and belief, I believe them to be true.



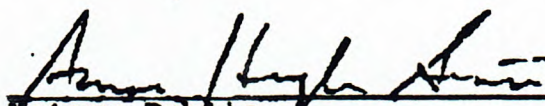
Gary A. Pappas

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

July 6, 1983

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